
HUMAN RESOURCE MANAGEMENT PHILOSOPHY

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ABSTRACT

Human resource management relates to strategic and coherent approach to the management of human resources of an organization. It involves a set of interrelated policies with ideological and philosophical orientation and forms a business – focused approach to manage people for competitive advantages. The starting point for HRM is to define philosophical orientation which helps in defining visionary long – term concept of organization. Philosophy in the context of management of an organization consists of an integrated set of assumptions and beliefs about the way the things are, the purpose of the activities and the way these should be. These assumptions and beliefs of those who create an organization (owners) and those who manage it (managers, specially the key decision makers) become base for defining vision of the organization. These assumptions and beliefs are sometimes explicit, and occasionally implicit, in the minds of the decision makers. The philosophy of a person has its origin in two premises – fact premises and value premises. Fact premises represent our descriptive view of how the world behaves. They are drawn from research findings and our experiences value premises represent our view of the desirability of certain goals and activities. HR philosophy revolves around management's beliefs and assumptions about people – their nature, needs, value and their approach to work. These beliefs and assumptions, then determine how people should be treated. There are three approaches for treating people: Commodity approach, Machine approach and Humanistic approach in commodity approach, a person is treated like a commodity who can be brought or sold at a price as was the practice in old slavery system. In machine approach, a person is treated as a part of the machine who can be fitted like any other part. Both these approaches treat a person as physiological human being. In humanistic approach, a person is treated as human being having physiological.

INTRODUCTION

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philosophical orientation and forms a business-focused approach to manage people for competitive advantages

ORGANIZATIONAL PHILOSOPHY AND VISION

The starting point for HRM is to define philosophical orientation which helps in defining visionary long – term concepts of organization its mission, policies as shown in figure 1.

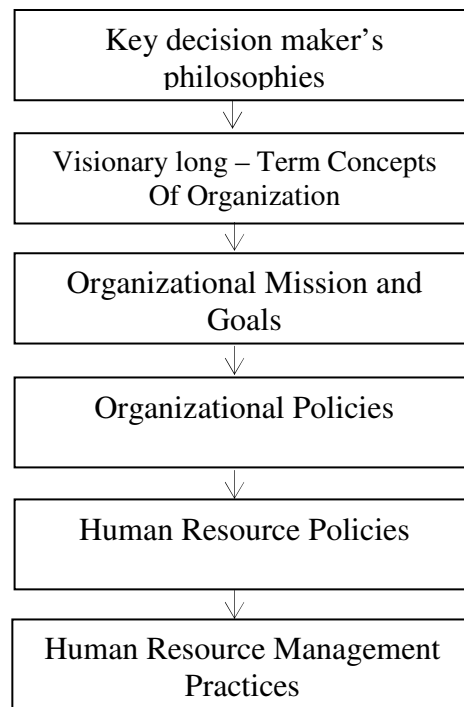


Figure 1: Organizational Philosophy and Vision

The Key terms in this linkage that require our attention are philosophy, Vision, mission, and policies which may be arranged in a hierarchy, and which ultimately determine various organizational practice including HRM practices.

PHILOSOPHY

Philosophy, in the context of management of an organization, consists of an integrated set of assumptions and beliefs about the way the things are the purpose of the activities. And the way these should be. These assumptions and beliefs of those who create an organization (owners) and those who manage it (managers, specially the key decision makers) become base for defining vision of the organization. These assumptions and beliefs are sometimes explicit, and occasionally implicit, in the minds of the decision makers. The philosophy of a person has its origin in two premises in two premises-fact premises and value premises. Fact premises represent our descriptive view of how the world behaves. They are drawn from research findings and our experiences. Value premises represent our view of the desirability of certain goals and activities

HUMAN RESOURCE PHILOSOPHY

HR philosophy revolves around management's beliefs and assumption about people their nature, needs, values, and their approach to work. These beliefs and assumptions, then determine how people should be treated. There are three approaches for treating people: commodity approach, machine approach, and humanistic approach. In commodity approach, a person is treated like a commodity who can be bought or sold at a price as was the practice in old slavery system. In machine approach, a person is treated as a part of the machine that can be fitted like any other part. Both these approaches treat a person as physiological human being. In humanistic approach, a person is treated as human being having psychological. Therefore, HR philosophy should take into account all these endowments of human beings more specifically; HR philosophy should be based on the following beliefs:

1. Human beings are the most important assets in the organization.
2. Human beings can be developed to a great extent as they have creative energy which is utilized only partially.
3. Human beings feel committed to their work in the organization if they develop belongingness with it.
4. Human beings are likely to develop a feeling of belongingness if the organization takes care of them and their need satisfaction.
5. Human beings contribute to the maximum if they get an opportunity to discover their full potential and to use it.
6. It is the responsibility of the organization to create healthy and motivating work climate characterized by openness, enthusiasm, trust, mutually, and collaboration

The management philosophy of ITC limited is charged with the following concerns:

1. Concern for their ultimate customers-millions of customers.
2. Concern for their intermediate customers- the tread.
3. Concern for their suppliers- their sources of raw materials and ancillaries.
4. Concern for their employees- the most valued assets.
5. Concern for their competitors whom they wish well for healthy competition ultimately, benefits the customers.
6. Concern for their shareholders the investing public.
7. Concern for the national aspiration India's future.

The human resource philosophy of the company is based on the seven cardinal beliefs

1. **Self-Managing Resource**

We believe that the human being is a fundamentally different and unique resource in that he/she is simultaneously a source, a resource and the end of all economic and social activity. He is the means as well the purpose. He is capable, willing and in the normal course of evolution, developing.

2. **Potential**

We believe in the inherent potential of people. There are different kinds and degrees of potential which can be developed and utilized in the context of task challenges, responsibility and commitment.

3. **Limitations**

We believe that any apparent limitations in people are the results of a variety of circumstances and factors, and can be overcome with support, awareness and correction following which, the potential has a chance to flower again.

4. **Quality of Work Life**

We believe that ITC as a business institution can provide a high quality of work life for all its members. Through opportunities for a meaningful career, job satisfaction and professional growth. Through this, ITC members will contribute to quality of life in the interface with society.

5. **Meritocracy**

We believe that people accept meritocracy as a just and equitable system and contribute best under conditions of open opportunities and challenges and different rewards commensurate with performance.

6. **Membership**

We believe that people can blend harmoniously the components in their membership of ITC. Namely, leadership, fellowship, and peer ship.

7. **Actualisation**

We believe that the design, implementation, and update of human resource management systems, enhancement of skills and creation of an enabling climate will facilitate the self-actualization of us as individuals and of ITC as a valued business institution.

According to New Webster Dictionary, policy means the art or manner of governing a nation, the line of conduct which rulers of a nation adopt on a particular question specially with regard to foreign countries, the principle on which any measure or course of action is based. In the organizational context, policy may be defined as follows:

ACCORDING TO KOTLER

“Policies define how the company will deal with stakeholders. Employees, Customers, suppliers, distributors, and other important group employees act consistently on important issues”

OBJECTIVES

A policy in any area has two objectives: general objectives and specific objectives. The statement of general objectives should express organizational approach towards the particular area or function, that is human resources underlying their importance and role in achieving organizational objectives on a long-term basis. The specific objectives are related to the specific activities of that area, that is recruitment, development, appraisal, human resource mobility, incentive systems, industrial relations, etc, various HR policies must be seen in this context and should aim at:

1. To enable the organization to have adequate, competent, and trained personnel at all levels;
2. To provide such conditions of employment that enable the personnel to develop a sincere sense of unity with the organization and to carry out their duties in the most willing and effective manner;
3. To provide and create a sense of responsibilities on the part of those who directly deal with human resources to adopt a humanistic approach with a guaranteed protection of the fundamental rights of the employees and their dignity;

4. To develop conditions for mutual trust and cooperation between those who manage and those who are managed at all levels of the organization; and
5. To establish conditions for developing personnel and utilization of their full potential for their own benefits as well as for the benefits of the organization.

THE OBJECTIVES OF HR POLICIES HAVE BEEN DESCRIBED BY PETER DRUCKER AS FOLLOWS

“The Management must gear its policies objectives in such a fashion that the employees perform their work and do their assigned tasks. It implies a consideration of human being as a resource, i.e., as something having peculiar Psychological properties, abilities, and limitations that require the same amount of engineering attention as properties of another source. It implies also a consideration of human resources as having, unlike any other resources. Personality, Citizenship, control over where they work, how much and how well, and thus requiring motivation, participation, satisfaction, incentives and rewards, leadership, status and function. And it is the management and management alone that can satisfy these requirements”.

A Policy is somewhat a permanent feature of an organization. It being a standing plan, provides guidelines to managerial decisions. Therefore, policies should be developed on a sound basis. If this is not done, manager's have to make decisions again and again. However, what features constitute a sound policy cannot be prescribed universally because situations vary so greatly and an organization may differ in respect of policy formation and implementation from others. Some major characteristics of a sound policy

RELATIONSHIP TO ORGANIZATIONAL OBJECTIVES

A policy is formulated in the context of organizational objectives. If tries to contribute towards the achievement of these objectives. Therefore, in formulation of a policy, those functions or activities which do not contribute to the achievement of objectives should be eliminated. For example, if a policy of filling higher positions from within produces hindrance in attracting talents at higher level but the organization needs them, the policy can be changed because in the absence of suitable manpower, the organization may not be able to achieve its objectives.

PLANNED FORMULATION

A policy must be the result of careful and planned formulation process rather than the result of opportunistic decisions made on the spur of the moment. Since policies are relatively permanent features of the organization, ad hocism should be avoided because it is likely to create more confusion. It is true that it is not possible to solve every problem in organization on the basis of policies because new situations may arise, however, for matters of recurring nature, there should be well-established policies.

FAIR AMOUNT OF CLARITY

As far as possible, policy should be clear and must not leave any scope for ambiguity. If there is a problem of misinterpretation, the organization should provide the method for overcoming the ambiguity. Further, policy provides some discretion for managerial decisions but it should minimize the number of cases where decisions are based on personal judgment. If this happened frequently, there should be close scrutiny of the policy and suitable amendments should be made.

CONSISTENCY

The policy should provide consistency in the operation of organizational functions. Often the organization formulates policies in various functional areas and each function is related to other functions of the organization. If the policy in one area is inconsistent with another area, there may be conflict resulting into inefficiency. This happens very frequently in functions having close relations, such as production and marketing or finance and other functions. Therefore, the formulation of policies should be taken in an integrated way so that policies in each area contribute to other areas also.

BALANCED

A sound policy maintains balance between stability and flexibility. On the one hand, a policy is a long – term proposition and it must provide stability so that members are well aware about what they are required to do in certain matters. On the other hand, the policy should not be so inflexible that it cannot be changed when the need arises. In a changed situation, the old and suitable changes should be incorporated from time to time. The change may be in the form of addition, substitution or deletion of the existing policy.

SOURCES OF HUMAN RESOURCE POLICIES

Policies relating to management of human resources may be either formulated by the managers specifically and explicitly or these may be implied, or sometimes these may be imposed by outside agencies. Therefore, there may be formulated implied and imposed policies. Besides, there may be situations where no such policy exists and the managers concerned may face difficulty in arriving at a decision and appeal for guidelines. Thus, there may be appealed policy.

FORMULATED POLICY

A formulated policy is one which is specified by the organization for providing guidelines to its members. Most of the policies in private sector organizations fall in this category as every organization formulates various policies on different aspects including HRM. Such as policy flows from higher level to lower level in the organization. This policy may be broad giving general guidance for the action or may be spelled completely so as to leave little scope for definition and interpretation.

IMPLIED POLICY

Sometimes, policies may not be clearly stated and the actions of managers particularly at the higher levels provide guidelines for actions at lower levels; these actions might constitute the policy. Sometimes, the organization had clearly expressed policies for its image but it is not able to enforce these. In such a case, the action of a decision maker, consciously or unconsciously, depends on his own guidelines, prejudices and whims. Moreover, in the absence of any specific guidelines, decision is based on individual interpretation for the situations and consequent actions. However, such actions may create chaos in the organization.

IMPOSED POLICY

Imposed policy arises from the influence of some outside agencies. Such agencies may be government which provides HR and other policies for all public – Sector organizations, parent organizations, parent organizations overseas in the case of multinational companies operating in a country, apex company of a business house, or trade association with which a particular organization is attached. These agencies may either provide complete guidelines on a subject matter or provide a broad framework for devising specific policies. For example, in public sector commercial banks, recruitment and selection is done by Banking Service Commission and individual banks do not have any control over this aspect, or a holding company may provide compensation policy for its subsidiary companies, and so on.

APPEALED POLICY

An appealed policy arises from the appeal made by a subordinate manager to his superior for deciding an important case. The need for such an appeal may arise because the particular case had not been covered by any policy. The appeal is taken upward and the decision made on the case sets a precedent which becomes policy providing guidelines for deciding similar cases in future. However, appealed policies are mostly incomplete and uncoordinated. As such, if frequent appeals are made, managers should visualize and review their policy formulation, its communication, and interpretation so that policy guidelines become more clear and specific.

FORMULATION OF HUMAN RESOURCE POLICES

We have seen above the HR policies emerge through different sources. However, most of the HR policies are the results of deliberate and conscious formulation. Since a policy is a kind of standing plan, therefore, it should be formulated after taking into consideration different factors which have impact on the workability of the policy. A policy formulation for managing human resources in an organization proceeds through a sequence of activities as shown in Figure 2

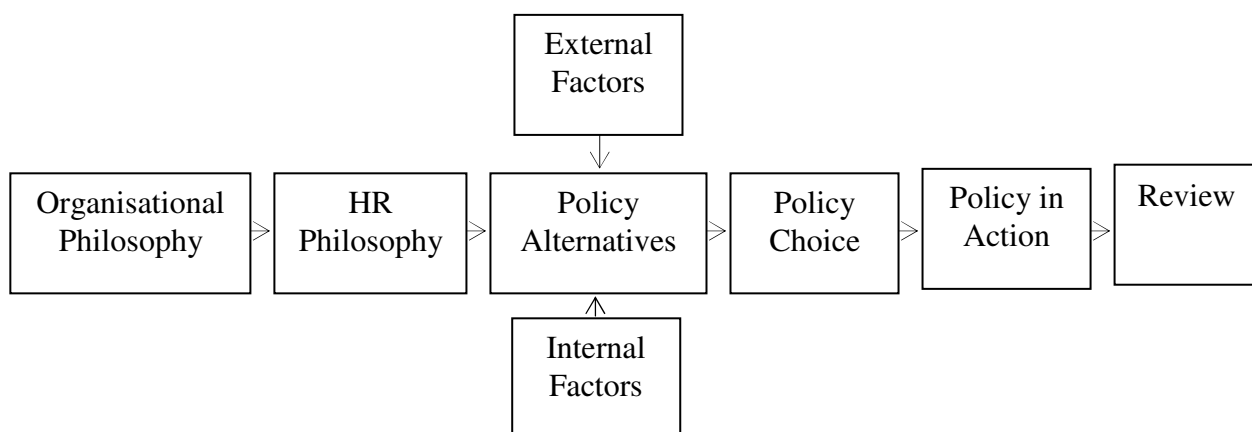


Figure 2: Formulation of HR Policies

Formulation of HR policies considers a number of factors such as organizational philosophy, HR philosophy, external factors, and internal factors. When all these factors are taken into consideration, there may be a number of policy alternatives in relation to a particular matter. E.g., recruitment development, compensation, etc., that alternative is chosen which matches with the

maximum number of factors. After the choice, a policy is put into action and its results are known. If the policy is workable, it is adopted as a long – term necessary changes because of changed in any of the factors influencing HR policies.

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